

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Minutes of the July 20, 2011 Meeting**

1. Roll Call.

Bettina Redway for State Treasurer Bill Lockyer chaired the meeting of the Tax Credit Allocation Committee (TCAC). Ms. Redway called the meeting to order at 11:55 a.m. Also present: David O'Toole for State Controller John Chiang; Pedro Reyes for the Department of Finance Director Ana Matosantos; Robert Deaner for California Housing Finance Agency Executive Director Claudia Cappio; Elliott Mandell for the Department of Housing and Community Development Acting Director Cathy Creswell; County Representative David Rutledge; and City Representative Christopher Armenta.

2. Approval of the minutes of the June 22, 2011 Committee meeting.

MOTION: Mr. Reyes moved to adopt the minutes of the June 22, 2011 meeting. Ms. Redway seconded and the motion passed.

3. Executive Director's Report.

Mr. Pavão reported that TCAC received 72 applications for Second Round 2011 9% tax credits. He noted that the application volume was significantly less compared to the 103 applications received for the First Round 2011 and 146 received for the Second Round 2010. He commented that staff was researching possible causes for the decrease in 9% applications. He speculated that the uncertainty surrounding redevelopment agency (RDA) financing might be a factor. He predicted that staff would recommend between 45 and 49 applications for Second Round 2011 9% credits.

Mr. Pavão stated that TCAC received 8 applications for 4% plus state credits. He noted that the volume of applications in that category increased from the previous funding round.

Mr. Pavão reported that 2 pieces of legislation affecting RDA financing were signed into law since the last TCAC meeting. He stated that the new law may jeopardize the performance requirements of some applications funded in the First Round of 2011. He explained that some projects must close their construction financing loans and begin construction within 180 days of the TCAC award date. Mr. Pavão stated that some of the projects with RDA funding commitments might not be able to meet the deadline to start construction. He noted that staff would be tracking the impact of RDA's on the First Round applicants. And if necessary staff would recommend giving First Round projects more time to fulfill their performance requirements.

Mr. Pavão announced that staff would hold a public forum that day in Sacramento and next week in Oakland and Los Angeles in order to share information about project cost containment with the public.

TCAC Deputy Director, Lisa Vergolini, reported that Sean Spear, Executive Director of the California Debt Limit Allocation Committee (CDLAC), informed staff that 2 projects on the TCAC agenda withdrew their CDLAC applications that morning. The 2 projects were St. Joseph's Family (CA-2011-865) and Hudson Townhouse Manor (CA-2011-877).

Mr. Pavão asked Mr. Spear what the current status of the CDLAC applications were.

Mr. Spear stated that the owners were going to reapply next month.

TCAC manager, Anthony Zeto, stated that the projects must have a valid CDLAC application in order to qualify for a reservation of tax credits.

Mr. Pavão noted that Temple Art Lofts (CA-2011-861) was already stricken from that day's agenda. He announced that St. Joseph's Family (CA-2011-865) and Hudson Townhouse Manor (CA-2011-877) would also be stricken.

4. Discussion and Consideration of the 2011 Applications for Reservation of Federal Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects.

MOTION: Mr. Reyes moved approval of staff recommendations except the following projects: Woodbridge Place (CA-2011-828), Santa Ana Infill (CA-2011-832), Orange Gardens (CA-2011-835), Valley Commons East (CA-2011-860), Kenneth Henry Court (CA-2011-874), and Hemlock Family Apartments (CA-2011-876). Mr. O'Toole seconded and the motion passed unanimously.

MOTION: Mr. O'Toole moved approval of staff recommendations regarding only the following projects: Woodbridge Place (CA-2011-828), Santa Ana Infill (CA-2011-832), Orange Gardens (CA-2011-835), Valley Commons East (CA-2011-860), Kenneth Henry Court (CA-2011-874), and Hemlock Family Apartments (CA-2011-876). Ms. Redway seconded and the motion passed.

5. Public Comment.

There were no public comments.

6. Adjournment.

The meeting adjourned at 12:05 p.m.